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Statement of Principles and Canons of Conduct

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STATEMENT OF PRINCIPLES AND CANONS OF CONDUCT

Between the

DENVER BAR ASSOCIATION

and the

TRUST DEPARTMENTS OF THE DENVER CLEARING
HOUSE BANKS

WHEREAS, The Denver Bar Association and the members of the Denver Clearing House Association (in connection with their Trust Departments) desire to arrive at an understanding and to provide a method for the adjustment of any differences that may arise between them; and

WHEREAS, Each of the parties hereto recognizes that trust business is the business of administering estates and trusts, and acting as agent in all appropriate cases and engaging in other trust activities; that it is advisable that a trust institution should limit its functions to such services; that attorneys-at-law constitute a professional group that performs essential functions in relation to trust business; that attorneys-at-law recognize the advantages inherent in corporate fiduciary services and have a community of interest with trust institutions in the common end of service to the public; and that the maintenance of harmonious relations between trust institutions and members of the bar is in the best interests of both, and of the public as well;

NOW, THEREFORE, The parties hereto accept the following as proper principles and canons of conduct, and adopt the procedure herein laid down for the adjustment of differences between them:

(1) It is to the best interests of the public for a prospective testator to employ his own attorney or an attorney of his own selection and to have full opportunity for free consultation with the attorney who prepares his will.

The banks declare that they do not and will not draw wills or codicils thereto.

A prospective testator may consult and discuss with a bank any contemplated appointment of such bank in any

capacity under a will or a codicil, and the bank may collaborate with the attorney of the prospective testator in the preparation of any such will or codicil.

(2) An attorney consulted or employed by a client for the preparation of any instrument under which a bank is to be appointed in a fiduciary capacity should suggest to the client the desirability of permitting the bank to examine the instrument for the purpose of ascertaining if it will consent to act thereunder; and, in all cases where the customer of a bank desires to name said bank as executor or trustee, an attorney should, with the consent of his client, confer with the bank with respect to the preparation of such instrument and such appointment.

(3) A bank shall not refer a person to any attorney for services in connection with the drafting of any instrument in which the bank may be named as executor or as trustee; but, where a person desiring to name a bank as executor or as trustee states that he has no attorney of his own whom he desires to act for him and requests the bank to suggest an attorney, the bank may suggest several attorneys, among whom shall not be included any attorney regularly employed or retained as the bank's counsel.

(4) A trustee should not ordinarily accept a living trust, revocable or irrevocable, unless the instrument creating it has been prepared or approved by an independent attorney of the trustor's own selection.

(5) A bank will not draw trust indentures or similar instruments securing notes or bond issues for public distribution.

(6) A bank shall not make appearance in any court except by an attorney representing it, and shall not, directly or indirectly, apply to its own use or receive the benefit of any part of the fee allowed or paid to any attorney.

(7) A bank shall not in its advertising or soliciting hold itself out as prepared to give legal advice or render legal services.

(8) In every situation where under this instrument, or otherwise, a customer is entitled to the independent advice or service of any attorney, the undivided character of the alle-

giance of such attorney to his client shall be scrupulously maintained and respected.

(9) It is not intended herein to define what is or is not practicing law. As to all matters herein specified and as to other matters which may arise it is the intent and spirit of this instrument that every bank should endeavor to conduct its business so that it cannot justly be said that it is practicing law.

(10) The term bank as used herein shall include banks, trust companies and trust departments of other corporations; the term attorney as used herein means attorney-at-law.

(11) The parties hereto agree that they will in good faith promote and recommend the observance by their constituent members of the principles and canons herein set forth. They deem the observance thereof to be conducive to sound and orderly banking, and to sound and orderly legal practice, and the public interest.

(12) Recognizing that the successful application of these principles and canons will require supervision and interpretation by a continuing body representing both groups; that exceptional situations will arise where literal application of the principles and canons of conduct herein set forth would be impracticable and unwise, it is further agreed that there shall be a standing conference committee of six members for the administration and interpretation hereof. Three members shall be appointed by the president of the Denver Bar Association; the terms of such first appointed bar members of the committee shall be for one, two and three years, respectively, and all subsequent appointments shall be for three-year terms. Three members shall be appointed by the Trust Officers Group of the Denver Clearing House Association, for such terms as said group may from time to time determine. The first meeting of said committee may be called by any member thereof. The committee shall adopt its own rules providing for calling of meetings and conduct of its business. Said committee shall hear complaints and consider questions arising hereunder presented by members of the bar, the banks or other interested persons, and shall take such steps in regard thereto as may seem desirable. This instrument shall become effective when approved by the Denver Bar Associa-

tion and by the Trust Officers Group in the Denver Clearing House Association.

(13) This instrument may be revoked by either party hereto upon sixty (60) days' notice in writing to the other. In case of such revocation, the rights, privileges or duties of the parties and of their constituent members shall not be prejudiced by the execution or performance hereof, nor shall anything herein be deemed to constitute an admission as to what is or is not permissible under the law.

Denver, Colorado, this sixth day of January, 1936.

THE DENVER BAR ASSOCIATION,

By Robert E. More, *President*.

Attest: JAMES A. WOOD, *Secretary*.

THE AMERICAN NATIONAL BANK OF DENVER,

By H. F. Feucht, *Trust Officer*.

THE INTERNATIONAL TRUST COMPANY OF DENVER,

By Leroy McWhinney, *Vice-President*.

THE DENVER NATIONAL BANK,

By H. E. Parks, *Trust Officer*.

THE COLORADO NATIONAL BANK OF DENVER,

By Hugh McLean, *Trust Officer*.

THE UNITED STATES NATIONAL BANK.

By A. H. Jewel, *Trust Officer*.

ANNOUNCEMENT

The Committee on Unlawful Practice of the Law expects to be very active and asks that objectionable practices from any source, either on the part of attorneys or laymen, be reported to Jacob V. Schaetzel, chairman, or to any member.

The following were appointed as members of a sub-committee, to-wit:

MERRILL A. KNIGHT, *Chairman of the Sub-Committee*.

ROYAL RUBRIGHT, *Prosecutor*

STANLEIGH CRISPELLE

DONALD FOX

MILTON GARWOOD

GRANT MCGEE